(c) why such benefit has been withdrawn in case of Mallaprabha Grameen Bank; and

(d) what action has been taken for dishonouring Government order issued through NABARD?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) National Bank for Agriculture and Rural Development had advised all the Regional Rural Banks and sponsor banks, vide their circular dated 5th July, 1991 that the functional allowance of daftary to peons working in branches of RRBs may be allowed as per practice prevailing in the rural branches of sponsor banks where only one peon is provided. Further, after the acceptance of the recommendations of the Working Group by Govt. NABARD had issued instructions on 20th March, 1993 to all the RRBs and sponsor banks including SBI, inter alia that the daftary allowance is to be made applicable as and when the post of daftary is created in the RRB in the Head Office and / or branches. In respect of the branches, the allowance should be made applicable only to the messenger who is to be entrusted with the work of daftary provided such allowance is paid by the sponsor Bank to the messenger in its rural branch where only one peon or messenger is provided.

(b) State Bank of India has reported that the norms and conditions for creation of post of Daftary in its branches and administrative offices were issued on 16th April, 1993. The RRBs sponsored by State Bank of India are required to follow the same practice as prevalent in SBI in this regard.

(c) and (d) Certain representations received from the employees unions of RRBs regarding payment of Daftary Allowance were examined by the Syndicate Bank, the sponsor bank of the Malaprabha Grameena Bank, before the receipt of the instructions of NABARD on the subject. The sponsor bank, had advised the RRBs to extend the facility on adhoc basis subject to NABARD's policy decision on the issue. Malaprabha Grameena Bank had accordingly introduced the Daftary Allowance on an adhoc basis. Various issues relating to implementation of NIT Award were subsequently discussed in the Karnataka State Level Forum of RRBs convened under the auspices of NABARD's Bangalore Regional Office on 04.08.93 wherein it was clarified that Daftary Allowance need be paid by the RRBs only if the post of Daftary has been created by them and if such allowance was being paid by the Sponsor Banks. Since Malaprabha Grameena Bank had not created the post of Daftary the facility was withdrawn. It has been further reported that Malaprabha Grameena Bank has not violated the provisions of NIT Award since they have been not paying the Daftary Allowance as the post of Daftary has not been created by the Bank. The issue has been once again reviewed recently by Malaprabha Grameena Bank in the light of the fact that though separate Daftary Allowance is not being paid to all the Messengers in the sponsor Bank, an element of Daftary Allowance has been incorporated in the rotational allowance which is being paid. The Malaprabha Grameena Bank has therefore decided to pay the rotational allowance as is being done by the sponsor bank.

India's Credit Policy

2196. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India's credit policy has failed in its objective of curbing and containing the inflation rate at around 8 per cent for the current year;

(b) if so, to what extent; and

(c) the causes to which it is attributable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Annual inflation rate as measured by point to point change in the Wholesale Price Index Number (WPI) was 12.1 per cent as on April 23, 1994 when the monetary policy for the first half of 1994-95 was announced by the Reserve Bank of India. Subsequently, the inflation rate declined to 8.4 per cent by October 1, 1994. It

rose again to 11.6 per cent by January 28, 1995 but declined to 10.3 per cent as on March 11, 1995.

The annual inflation rate is a result of the inter-play of different forces acting on the supply and demand sides of the market and as such, there may not be any one to one correspondence between money supply growth and rate of inflation. In the current financial year upto March 3, 1995 the money supply (M3) has expanded by 16.5 per cent slightly higher than the indicative target of 16 per cent growth for the whole year. It is however, lower than 17.3 per cent growth recorded in the corresponding period of 1993-94.

High rate of inflation in the current financial year may be attributed to various supply and demand side factors like increase in procurement prices, supply constraints due to a shortfall in production in sectors like sugar, cotton and oilseeds, spillover effects of high fiscal deficit in 1993-94 and large inflow of foreign exchange adding to liquidity growth. To moderate inflationary pressure, the monetary policy has been tightened to reduce the growth of money supply, while the imports of key essential commodities like sugar, cotton, pulses and edible oils have been freely allowed with zero or low duties. Continuous open market sales of wheat and rice have also been undertaken to moderate the inflationary pressure on prices.

Foreign Investors

2197. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news report appearing in ""Indian Express" dated the 21st January 1995 under the caption ""Foreign investors launch "Quit India' Movement""; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The international investors' perception of, and interest in, Indian equity is a function of several variables, including exogenous factors like the movements in United States in- terest rates and the attractiveness of other emerging market equities. Foreign investment flows are by way of direct foreign investment, portfolio investment and overseas capital market mobilisations by Indian Companies. With the liberalisation measures, there has been substantial increase since 1991 in foreign investment inflows, both in direct and portfolio in- vestments. As per the reports filed by the custodians of Foreign Institutional Investors (FIIs) registered with the Securities and Exchange Board of India (SEBI), the monthly net investments by FIIs has all along been positive, every month since January, 1993.

Narcotics trade and transactions

2198. SHRIMATI VEENA VERMA:
SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that hashish worth Rs. 4 crore weighing about 40 kgs. was seized by customs authorities from Air passengers at IGIA with Polish passport (14 kgs.) and from a house in Vasant Kunj (26 kgs.), New Delhi on February 29, 1995;

(b) the details of other seizures of hashish and other narcotics seized by various customs revenue and other enforcement and security agencies during the past six months; and

(c) whether these seizures lead to unearthing of organised gangs of smugglers engaged in narcotics trade and transactions, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) On 18.2.95, the Custom officers at the IGI Airport New Delhi seized 14.648 kgs. of hashish from a Polish national. In follow up 26.160 kgs. of hashish was seized from a house in Vasant Kunj, New Delhi.

(b) Following are the quantities of narcotics seized by enforcement agencies during last six months in the country:—